

ECONOMIC DEVELOPMENT ELEMENT

Objective of Element

The primary purpose of this element is to present background information about the local economy and its relationship to the region. County, regional and state economic development programs are briefly reviewed to identify possible programs that the Town could take advantage of to encourage appropriate economic development. In any economic development effort, it is helpful to identify the strengths and weaknesses of the Town in attracting and retaining businesses and industries. This element also identifies businesses and industries that would be compatible with the Town. Finally, properties in the Town are analyzed to determine if any sites are contaminated and what could be done to encourage suitable reuse.

Exhibit H-1. Basic Objectives of the Economic Development Element

- Understand the economic base of the community and statewide trends affecting the community and region.
- Identify and describe economic development programs at the local and state level.
- Assess the community's strengths and weaknesses relative to attracting and retaining new economic growth.
- Identify desirable businesses and industries.
- Identify environmentally contaminated sites suitable for commercial and industrial uses.

Labor and Economic Characteristics

Labor Force

Since about 1992, the national economy has done extremely well as reflected in a declining unemployment rate (Table H-1). Wisconsin typically has a lower unemployment rate than the nation and Dane County typically has a much lower unemployment rate than the state. Since 1992, the civilian labor force has seen substantial expansion up until 1996 when the rate of increase declined somewhat and then posted an overall numeric decline in 1999. It is anticipated that the labor force will continue to grow in the coming years, but at a

Table H-1. Civilian Labor Force and Unemployment Rate; Dane County and Wisconsin: 1992-1999

Year	Dane County			Wisconsin Unemployment Rate
	Civilian Labor Force	Percent Change		
		From Previous Period	Unemployment Rate	
1992	229,100	n/a	2.2	5.2
1993	237,600	3.7	2.2	4.7
1994	242,800	2.2	2.3	4.7
1995	248,000	2.1	1.8	3.7
1996	257,700	3.9	1.7	3.5
1997	259,900	0.8	1.7	3.7
1998	261,678	0.7	1.5	3.1
1999	258,941	-1.0	1.3	3.0

Source: Wisconsin Department of Workforce Development

somewhat slower rate than in the past.

Data from the 1990 Census reveals that about one in five people in the local labor force (16 years and over) traveled more than 30 minutes to work (Table H-2). Given the commute times, most of the Town residents likely went to work in the Madison area. The vast majority of workers stayed in Dane County. This data reinforces the observation that the Town is largely a bedroom community of the Madison urban area.

Aside from farmers, only a small percentage of residents (3.1 percent) worked in their place of residence. Given the national trend of more and more people working out of their homes, it is anticipated that a larger percentage of residents work at home now than did 10 years ago.

Economic Base

Table H-3 shows employment statistics for Town residents 16 years and over by industry in 1980 and 1990. Between 1980 and 1990, 525 new jobs were added, representing an increase of 34.5 percent. During this 10-year period, there were declines for those working in the construction sector and the agricultural, forestry and fisheries sector and substantial gains were evident in entertainment and recreation services, health services, other professional services, retail trade and finance, insurance and real estate. Since 1990 there has been a substantial increase in the construction sector, given the relatively strong housing market due to the strong economy.

When compared to the state employment data, the percentage of Town residents in each of the categories generally mirrored the state in 1990. The exceptions were government (double the state proportion) and finance, insurance and real estate. Town residents involved in the manufacturing sector accounted for 8.1 percent of the total, while manufacturing accounts for over 15 percent throughout the state.

As shown in Table H-4, the average weekly wage of people working in Dane County increased 13.1 percent between 1996 and 1999 across all industries. Those sectors where the weekly wages rose substantially faster than all the sectors included the following: construction, retail trade and services. Retail trade posted the largest increase over this 3-year period with an increase of 19.5 percent. During 1999, construction and government wages were the highest, while wages in retail were the lowest. In 1999, workers in Dane County on average received \$27 more per week than did the average worker in the state. Workers in the transportation and public utilities sector saw the largest differential of \$171. Manufacturing workers received on average \$33 less than their counterparts throughout the state.



Table H-2. Commuting Patterns; Town of Cottage Grove: 1990

Travel Time	Persons ¹	Percent ²
Worked at home	63	3.1
Less than 9 minutes	189	9.3
10 to 19 minutes	633	31.1
20 to 29 minutes	702	34.5
30 to 44 minutes	326	16.0
45 minutes or longer	123	6.0
Total	2,036	100.0
Place of Work		
In Dane County	1,961	96.3
Elsewhere In Wisconsin	75	3.7
Out of State	0	0
Total	2,036	100.0

Source: 1990 Census of Population and Housing (STF 3A)

Notes: 1. Only includes those workers 16 years and over.

2. The numbers in the percent column may not add up to 100 due to rounding.

Table H-3. Employment by Industry; Town of Cottage Grove and Wisconsin: 1980 and 1990

Employment Category	1980 Persons ¹	1990 Persons ¹	1980 Percent ²	1990 Percent ²	Percent Change 1980 to 1990	1990 Wisconsin Percent ²
Agriculture, forestry and fisheries	103	68	6.8	3.3	- 34.0	4.6
Mining	0	0	0	0	0	0.1
Construction	108	97	7.1	4.7	- 10.2	4.9
Manufacturing, non-durable goods	142	147	9.3	7.2	3.5	9.3
Manufacturing, durable goods	113	165	7.4	8.1	46.0	15.1
Transportation	89	102	5.9	5.0	14.6	3.8
Communications and other public utilities	57	64	3.8	3.1	12.3	2.0
Wholesale trade	77	92	5.1	4.5	19.5	4.0
Retail Trade	202	335	13.3	16.4	65.8	17.1
Finance, insurance and real estate	124	204	8.2	10.0	64.5	5.8
Business and repair services	64	96	4.2	4.7	50.0	3.7
Personal, entertainment and recreation services	45	85	3.0	4.2	88.9	3.6
Professional and related services:						-
Health services	105	187	6.9	9.1	78.1	8.8
Educational services	129	161	8.5	7.9	24.8	8.2
Other professional and related services	53	93	3.5	4.5	75.7	5.5
Public administration	109	149	7.2	7.3	36.7	3.2
Total	1,520	2,045	100.0	100.0	34.5	100.0

Source: 1990 Census of Population and Housing (STF 3A)

Notes 1. Only includes employed persons 16 years and older

2. Total may not add up to 100 due to rounding.

Table H-4. Average Weekly Wage by Industry Group; Dane County and Wisconsin: 1996 and 1999

Industry	1996		1999		Percent Change 1996 to 1999
	Dane County	Amount Above or Below State	Dane County	Amount Above or Below State	
Government	\$639	\$35	\$693	\$45	8.5
Agriculture, Forestry and Fishing	\$405	\$53	\$450	\$61	11.1
Construction	\$603	\$27	\$712	\$45	15.3
Manufacturing	\$594	- \$29	\$665	- \$33	11.9
Transportation and Public Utilities	\$625	\$71	\$687	\$171	9.9
Wholesale Trade	\$608	\$5	\$682	- \$7	12.2
Retail Trade	\$251	\$8	\$300	\$24	19.5
Finance, Insurance and Real Estate	\$606	\$24	\$684	- \$2	12.9
Services	\$453	\$33	\$526	\$48	16.1
All Industries	\$512	\$21	\$579	\$27	13.1

Source: Wisconsin Department of Workforce Development

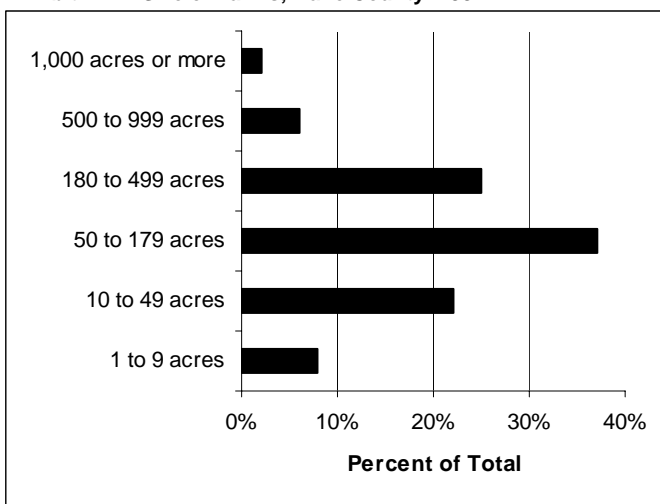
Notes: Data is for the second quarter (April, May and June) for each year.

Table H-5 shows the top ten employers in the region in 1998 based on employment data maintained by the Bureau of Workforce Information. As listed, state and local government, education, health care and insurance are dominate employers in the region. The Cottage Grove Cooperative with 250 employees is one of the largest employers in the immediate area.

Table H-5. The 10 Largest Employers in Region: 1998

Company	Product or Service	Number of Employees
State of Wisconsin	State Government Services	1,000 +
University of Wisconsin – Madison	Educational Services	1,000 +
Madison Metropolitan School District	Educational Services	1,000 +
American Family Insurance	Insurance Services	1,000 +
City of Madison	Municipal Government Services	1,000 +
CUNA Mutual Insurance Society	Insurance Agents, Brokers and Service	1,000 +
Kraft Foods, Inc.	Food and Kindred Products Manufacturing	1,000 +
Dane County	County Government Services	1,000 +
UW Hospital and Clinics	Health Services	1,000 +
Meriter Hospital	Health Services	1,000 +

Source: Wisconsin Department of Workforce Development, Bureau of Workforce Information

Exhibit H-2. Size of Farms; Dane County: 1997

Source: 1997 Census of Agriculture

Agriculture is a significant part of the local economy and an important part of the employment sector (albeit a relatively small role). Agriculture at the national and state levels has been experiencing a number of shifts and trends. In large part, agriculture in the Town has followed these trends.

As shown in Exhibit H-2, the vast majority of farms in the County were 500 acres or less in 1997. However the trend is toward larger farms and fewer operators. There are many reasons for this trend and include a move toward greater efficiencies due to lower market prices, the move away from small dairy operations that were quite common and the aging of farm operators.

Table H-6 shows the change in agriculture in Dane County as measured by a few parameters. Between 1992 and 1997, the number of farms, the number of acres in farmland and the number of acres in cropland declined. Given the economics of farming, an increasing number of farm operators must rely on income earned off the farm to help keep the farming operation viable. Between 1992 and 1997, there was a decline of 12.4 percent in those who reported farming as their principal occupation. Further, the number of farm operators who

Table H-6. Farming Characteristics; Dane County: 1992 and 1997

	1992	1997	Percent Change
Farms	2,639	2,595	-1.7
Acres in Farms	538,582	512,971	-4.8
Acres in Cropland	378,682	354,307	-6.4
Operators Who Also Work Off the Farm	1,187	1,296	9.2
Farming As Principal Occupation (percent)	62.0	54.3	-12.4
Farming As Secondary Occupation (percent)	38.0	45.7	20.2
Average Age of Operator	51.0	53.1	4.1

Source: 1997 Census of Agriculture

worked a portion of their time off the farm increased by over nine percent. In 1997, the average age of farm operators was 53.1 years compared to 51.0 just 5 years earlier. Few young people are entering farming suggesting the continued trend of larger farms and a potential conversion to non-farm uses.

Review of Economic Development Programs

This section is intended to provide a brief overview of some of the local and state programs that are available for economic development efforts.

State Programs

At the state level there is a wide range of programs to assist business retention, expansion and relocation (Exhibit H-3). The Department of Commerce (DOC) is the lead economic development agency in the state and administers a number of programs. The Department of Transportation (WisDOT) plays a much smaller, but important, role as well.

Forward Wisconsin is a nonprofit organization created as a public-private partnership to attract new businesses, jobs and increased economic activity to the state. The group focuses on six target industries (computer & data processing services, plastics, business services, forest products, biotechnology and production machinery & equipment) and one primary back-up target (customer service centers).

Local Programs

At the county level, the Dane County Economic Summit Council is an advisory group first established in 1990 by the County Executive to advance a common agenda for directing Dane County's economic future. The 14-member Council is intended to advise the County on economic and community development issues and undertake projects to support positive development.

The Dane County Job Center fulfills a number of functions, but primarily helps area businesses with employee recruitment, training and retention. In an era of a changing labor market, increasing job specialization and higher skilled positions, a well-trained and educated workforce is critically important.

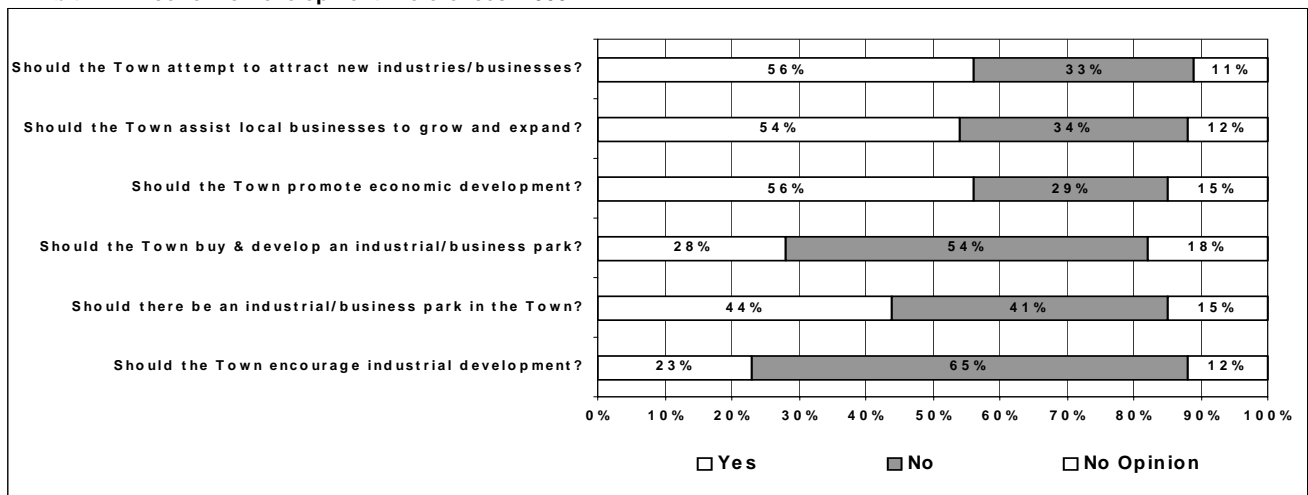
Dane County has a program entitled BUILD (Better Urban Infill Development) that is partially funded by County general revenue and funding from the U.S. Department of Housing and Urban Development through Dane County's Community Development Block Grant (CDBG) program. The program is intended to foster redevelopment and infill development projects. Although targeted to these areas, they may contain an economic development component or basis.

Exhibit H-3. Summary of Selected Economic Development Programs for Communities and Businesses

- **The Community Development Block Grant-Public Facilities for Economic Development (CDBG-PFED) Program** is a federally funded program administered by the Wisconsin Department of Commerce. A CDBG-PFED grant is designed to assist communities that want to expand or upgrade their infrastructure to accommodate businesses that will create new jobs. A local unit of government is limited to \$1,000,000 per calendar year and no more than \$750,000 can be used to benefit a single business or a group of related businesses.
- **The Community Development Block Grant-Economic Development (CDBG-ED) Program** is a federally funded program administered by the Wisconsin Department of Commerce. It is designed to assist businesses that will invest private funds and create jobs as they expand or relocate to Wisconsin. The Department of Commerce awards funds to a local unit of government as a grant, which then loans the funds to a business that commits to create jobs for low and moderate-income residents. When the business repays the loan, the community retains the funds to start a local revolving loan fund. This fund can then be used to finance additional economic development projects within the community.
- **Community Development Block Grant- Blight Elimination and Brownfield Development Program (CDBG-BEBR)** is a federally funded program administered by the Wisconsin Department of Commerce. It is designed to help communities with assessing or remediating environmental contamination of an abandoned, idle, or underused industrial or commercial facility or site in a blighted area, or that qualifies as blighted.
- **Enterprise Development Zone (EDZ) Program** is a tax credit program for major business startups or expansions that are located in one of the designated areas of the state that suffers from high unemployment, declining incomes and property values and other indicators of economic distress. Tax credits are only available on income generated within the zone and the total of tax credits within each zone is capped at \$3 million.
- **Community Development Zones** are specially designated areas in the state. Once created they exist for 20 years with a potential for extending the zone for another 5 years. The zones range from small rural areas to large metropolitan areas. A certified employer in a zone can earn a tax credit against a Wisconsin income tax liability for job creation and for environmental remediation.
- **Rural Economic Development (RED) Early Planning Grant Program** is designed to assist rural business with 25 employees or less. Grants may only be used for professional services such as preparation of a feasibility study, market study, or business plan.
- **Wisconsin Development Fund – Technology Development Fund (WDF)** helps finance product research and development and commercialization.
- **Wisconsin Development Fund-Major Economic Development Program (MED)** provides financial assistance for business startups or expansions that can create or retain a significant number of jobs and to leverage private capital investment.
- **Transportation Facilities Economic Assistance and Development Program** funds transportation facilities improvements (road, rail, harbor and airport) that are part of an economic development project.

Selected Survey Results

The 2000 Community Survey contained a number of questions to gauge support for and the Town's role in economic development (Exhibit H-4). Roughly half of the respondents supported economic development in the Town. Little support was offered when asked if there should be an industrial park in the Town. Respondents showed even less support for industrial development or for the Town purchasing and developing an industrial park. Mixed support was voiced for the Town helping existing local businesses to grow and expand.

Exhibit H-4. Economic Development Preferences: 2000

Source: 2000 Community Survey (Questions 6 to 11)

Desirable Businesses and Industries

During the planning process, participants were asked to identify businesses and industries they felt would be appropriate for the Town. Using this list as a starting point, a list of desirable businesses and industries, was developed and is included below.

Many of the preferred types of businesses relate to agricultural production, processing, research and support services. These are seen as very compatible with the Town's rural character and its desire to maintain the agricultural base. The other types of businesses are seen as support services for the residential component in the Town. These types of businesses while generally compatible within the Town are not suitable in all locations. Therefore, areas are specifically identified in the future land use map that would be most appropriate for them.

Preferred Businesses and Industries

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|--|--|
| <ul style="list-style-type: none"> ▪ small construction company ▪ landscaping contractor ▪ retail ▪ professional services ▪ home-based businesses ▪ bed & breakfast ▪ dentist ▪ gas station ▪ restaurant ▪ | <ul style="list-style-type: none"> ▪ agricultural specialty producers ▪ agricultural tourism / recreation ▪ agricultural research / high-tech ▪ support businesses for agriculture ▪ storage facilities (in underused agricultural buildings) ▪ veterinarians – large animal ▪ agricultural commodities processing ▪ aquaculture |
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Assessment of Strengths and Weaknesses

After the planning participants were asked to identify desirable businesses, they were asked to think of reasons why those preferred businesses would likely locate in the Town (strengths) and also why they would not want to locate in the Town (weaknesses). Again, these responses were used to prepare the assessment of strengths and weaknesses outlined below. Most of the identified strengths relate to the Town's physical proximity to a large metropolitan area and transportation networks. The abundance of prime farmland is seen as necessary to supporting the agricultural businesses.

Strengths

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|---|--|
| <ul style="list-style-type: none"> ▪ good location ▪ good environment (natural, social, etc.) ▪ close to large metropolitan area ▪ good transportation network ▪ free flowing traffic ▪ good education system | <ul style="list-style-type: none"> ▪ reliable workforce ▪ increasing population ▪ prime farmland ▪ close to the University of Wisconsin-Madison ▪ close to state capital ▪ no parking problems |
|---|--|

Weaknesses relate to a wide range of issues, some of which are unique to the Town and others common to many towns in the region. Some of the other weaknesses arise from or relate to the Town's agricultural base and low-density development pattern. Other weaknesses are inherent to nature of town government (can't create TIF districts).

Weaknesses

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- | | |
|---|---|
| <ul style="list-style-type: none"> ▪ no public water or sewer ▪ zoning restrictions ▪ taxation too high ▪ not enough population | <ul style="list-style-type: none"> ▪ Town can't create a Tax Increment Financing (TIF) District, unlike cities and villages ▪ competition |
|---|---|

Environmentally Contaminated Sites

Throughout the state, many properties have become polluted in such a way that inhibits their continued use. Aside from the environmental consequences, these properties are often underutilized and/or abandoned creating negative effects on the local economy. To address this growing problem, the State has developed the authority and resources to help clean up these sites so that they can again be used and contribute to the local economy. As documented in the Land Use Element, there are a number of brownfield sites in the Town.

Contamination from the Hydrite Chemical Company (formerly North Central Chemical Company) extends from the site to the east. Trichloroethylene (TCE) from the site has entered the shallow groundwater causing concerns about the safety of drinking water. All of the homes in the Town are on private wells and the Department of Natural Resources is requiring that some homeowners in the affected area deepen existing wells to bypass the contaminated groundwater. New wells in the affected area will need to be at least 350 feet deep. As of this date, the extent of the pollution is not precisely known. The Town needs to work with the appropriate state and federal agencies to ensure that the contamination is cleaned up to the extent possible and as quickly as feasible.

Goals, Objectives, Policies, and Recommendations

The goals, objectives, policies and recommendations for this element are found in Chapter B.